



ENERGY UPDATE 99 ROD GRAMS

UNITED STATES SENATOR ■ MINNESOTA

Dear Friends:

Since my election to Congress in 1992, I've been a strong advocate of a consumer-friendly energy industry that works to promote domestically produced renewable energy. One of my biggest concerns with the Department of Energy has been that since its inception our nation has grown even more dependent upon foreign sources of energy, and the Department continues to ignore its core mission of increasing domestic energy sources.

The issues and initiatives you'll find in this newsletter represent a small portion of the matters we're addressing in the United States Senate. They are issues that I believe help advance both the energy interests of the United States and the commitment to renewable energy we have in Minnesota. They are also issues and initiatives that further my belief that we can protect the environment while at the same time establishing a healthy business climate for our economy.

October is National Energy Awareness Month, a time during which citizens of our great nation should pause to consider all that's made possible through the use of energy, and the ways in which we can use energy more efficiently. Below you'll find some of the ways in which I'm keeping energy use in the forefront as I represent you in the United States Senate.

I encourage you to contact my office at any time with your thoughts and concerns about these or other matters. I often say that Minnesotans are the true experts on the issues, and I rely upon you for guidance in the United States Senate.

Sincerely,

Rod Grams
United States Senator

ETHANOL AND MTBE

Earlier this year, I joined several of my Senate colleagues in writing to President Clinton regarding the current controversy over the use of Methyl-Tertiary-Butyl-Ether (MTBE) in the Reformulated Gasoline Program (RFG). Because of environmental concerns with MTBE, some in Congress are calling for the elimination of the oxygen standard in the RFG. That's why I wrote to President Clinton asking him to maintain the oxygen standard and to look to ethanol to fill the void. I believe the RFG has been very successful in reducing pollution in our nation's most polluted areas. In the cases of Chicago and Milwaukee, ethanol has been a key to that success. I can't imagine a scenario that would merit revoking ethanol's benefits in those areas, and I will continue to push to make sure we not only maintain ethanol markets, but grow them for the future. I look forward to ensuring Minnesota's commitment to ethanol is protected in the coming months and years.

SENATE RENEWABLES AND EFFICIENCY CAUCUS

I was proud to become a member of the Senate Renewables and Efficiency Caucus earlier this year. The Caucus is designed to bring together a bipartisan



Senator Grams with the Minnesota Utility
Contractors Association



group of Senators to promote renewable energy technologies and to share ideas related to renewable energy and energy efficiency issues.

RENEWABLE ENERGY PROGRAMS

As a member of the Senate Renewables and Efficiency Caucus, I was joined a number of my Senate colleagues in seeking additional money for renewable energy programs in this year's Energy Department funding bill. Regrettably, only 38 other Senators voted with me in support of an amendment that would have provided \$75 million more for solar, wind, biomass, hydrogen, geothermal and hydro-power research and development programs. Minnesota is home to many of these technologies, especially with the growth of wind generation in the western part of our state. While our effort was unsuccessful on the Senate floor, we kept working and were able to obtain additional funds during House/Senate negotiations on the final bill. I've long believed that we must continue to invest in renewable energy programs because of their value to rural Minnesota, the environment, and our nation's energy security. I'll continue working with energy interests in Minnesota to protect our nation's commitment to renewable energy programs well into the future.

WIND ENERGY PRODUCTION TAX CREDIT

Our nation has made a tremendous commitment to the production of electricity through wind technologies. Minnesota, in fact, is quickly becoming one of

the nation's largest wind producing states because of Northern States Power Company's (NSP) wind generation facilities in western Minnesota. However, wind energy is not as competitive as traditional sources of base-load electricity such as coal, nuclear, or natural gas. In response, the federal government has, since 1992, provided a 1.5 cent tax credit for electricity generated from wind. I was proud to be an original co-sponsor of legislation that would extend that tax credit for another five years. Doing so is crucial to providing a stable business atmosphere in which companies will be willing to make millions of dollars in investments in wind power. I'm hopeful that Congress will enact legislation to help expand wind generation in the future and promote the continued development of wind generation technologies.

ENERGY CLIMATE AND POLICY ACT

There's currently a debate taking place in our country and throughout the world over the possible impact of global warming as a result of carbon dioxide emissions into the atmosphere. While some predict rather drastic impacts on human populations, the scientific evidence is often contradictory. Despite this confusion, President Clinton has agreed to severe reductions in the amount of carbon dioxide our country can produce and plans to restrict energy use, create many new regulations, and impose new taxes to meet his goals. Along with many in the scientific community, I don't share the President's doomsday predictions. I believe we can address climate change issues through non-regulatory processes that encourage the participation of business rather than immediately assuming they're to blame. That's why I joined Senators Frank Murkowski and Chuck Hagel in introducing the Energy Climate and Policy Act of 1999. Our legislation will foster the development of technologies that avoid or reduce emissions of carbon dioxide and technologies that remove and sequester carbon dioxide from the atmosphere. We believe that we should join with industry in seeking new and innovative ways to reduce or eliminate emissions – solutions that improve the environment, protect jobs, and promote a growing economy for the future.

BIODIESEL ENERGY DEVELOPMENT ACT

Last year, I co-sponsored legislation, along with a number of my colleagues, that now qualifies

biodiesel as an alternative fuel under the Energy Policy Act of 1992. I did so because of biodiesel's many benefits. By encouraging an increased use of biodiesel, American farmers will see a greater demand for their crops. With that increased demand comes an increase in production facilities. As we all know, that means more jobs on our nation's farms and more income for our farmers. Further, an expanded use of biodiesel is good for the environment. Biodiesel, when compared with petrodiesel, has a near 50% reduction in particulate matter, carbon dioxide, carbon monoxide, and sulfur dioxide. Likewise, the expanded use of biodiesel can assist our nation in meeting any challenge we may face from global climate change by reducing our dependence on foreign fuels and increasing fuel efficiency. I believe biodiesel, like ethanol, will prove to be another reliable energy source that provides new markets for farmers across rural Minnesota.

A CLOSER LOOK: THE ENVIRONMENT IN BALANCE: EARTH DAY 1999

Every year, our nation sets aside April 22nd as a day to pay tribute to the planet by celebrating Earth Day. Earth Day was first observed on April 22, 1970. Its purpose was — and remains — to make people across the country and around the world reflect both on our commitment to protect our environment and to recognize the importance of our natural resources, recycling and replenishing them whenever possible.

The New York Times, on the original Earth Day, ran a story which in part read, "Conservatives were for it. Liberals were for it. Democrats, Republicans and independents were for it. So were the ins, the outs, the Executive and Legislative branches of government."

Unfortunately, the rise of special interest groups has pushed the environmental debate far from the consensus embraced by the original Earth Day. They've managed to steer the environmental debate away from the consensus in Congress to protect our natural resources to, instead, focusing on a much smaller number of divisive issues.

I want to remind Minnesotans of the tremendous progress we've made — on a bipartisan basis — toward protecting the earth and its inhabitants, and in improving and conserving our precious natural resources.

Since 1994, Congress has passed several major pieces of legislation to improve the environment and conserve our natural resources. Among these programs are the Safe Drinking Water Act, the Conservation Title to the Farm Bill, the Food Quality Protection Act, the National Wildlife Refuge System Improvement Act, the North American Wetlands Conservation Act, and the National Park System Restoration Act.

Thanks to bipartisan, overwhelming support in Congress, these public laws are now at work, helping Americans protect the environment by dedicating billions of dollars to improve the safety of our nation's drinking water and billions more for conservation efforts on more than 37 million acres of sensitive land. These programs are restoring our cities' waterfronts, conserving our fertile lands, ensuring safe drinking water for children, and increasing visitor enjoyment and natural resource protection in our nation's parks.

In this session of Congress, we're off to another good start. I've focused my efforts on improving our nation's energy efficiency and promoting the use of alternative, renewable energy sources that have a dual benefit of helping our farmers open new and expanding markets for their products. I'm cosponsoring legislation to extend the Wind Energy Tax Credit and to provide a tax credit for the production of energy from poultry litter. I've joined three of my colleagues in introducing legislation that will force federal facilities to comply with the provisions of the Clean Water Act. And I recently became an original cosponsor of the Energy and Climate Policy Act, which, through tax credits and public/private partnerships, will address global warming concerns by promoting research and development of technologies that reduce greenhouse gas emissions.



Now it's time to build on our progress and eliminate the contentious nature of environmental debates. I believe we can do a better job of promoting environmental protection and economic growth, not by focusing on differences, but by highlighting our shared commitment to protecting the environment, improving our wildlife habitats, making our water supply safer, increasing visitor enjoyment in our nation's parks, and strengthening our dedication to leaving a proud legacy of natural resource protection for our children and grandchildren. Clearly, partisanship will always be present in congressional debates, but no American is well-served when issues as important as environmental protection are dominated by the flagrant distortion of the truth.

In an Earth Day speech I delivered on the Senate floor, I suggested that we pledge to come together to improve our environment and strengthen our natural resources by renewing our nation's commitment to pragmatism. Government, on all levels, must do its part as watchdog while empowering those being regulated to develop unique and innovative means of compliance. Government must base its decisions on clear science with stated goals and flexible solutions. It must give our job creators more flexibility to meet national standards as a means of eliminating the pervasive "command and control" approach that has infected so many federal programs. And finally, the federal government needs to promote a better partnership between all

levels of government, job-providers, environmental interest groups, and the taxpayers.

By taking these simple steps, I believe we can move forward in a spirit of cooperation to ensure a proud legacy of natural resource protection for our children that still allows for the economic opportunities they'll need to start and support their own families. That's an Earth Day goal all Minnesotans share, and one on which I believe Members of Congress must deliver.

CONCLUSION

Your input is vital to the success of these and other initiatives Congress may consider, and, as always, I encourage you to contact me with your comments and suggestions.

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